



# STATE SENATOR LUKE KENLEY

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## Fellow Taxpayers:

Please know that I cut costs and saved valuable tax dollars on this important mailing to you by reducing its size and posting additional info on my Web site.

L.K.

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## PROPERTY TAX CAPS

Hoosier voters in November's general election will determine if permanent caps on property tax rates will be added to Indiana's Constitution.

Lawmakers this session gave final approval to a resolution I authored that would constitutionally cap property tax rates at 1 percent for owner-occupied homes, 2 percent for other residential and agricultural properties and 3 percent for businesses.

This action sets the stage to make these 1-2-3 caps part

of the constitution.

In the immediate aftermath of the 2007 property tax crisis, both chambers passed the property tax caps

amendment in 2008.

Thanks to the 2010 approval, the amendment has now been passed by

two separately-elected sessions of the General Assembly and can go before voters on Nov. 2.

Approval of this resolution proves lawmakers are once again siding with taxpayers and not tax spenders.



## AG ASSESSMENTS

Lawmakers approved a measure I authored aimed at stabilizing Indiana's agricultural property assessment system that farmers say is currently unfair.

State figures show farmers are experiencing unanticipated "peaks and valleys" in farmland assessments based

on an experimental formula crafted in 2006. Economists attribute the fluctuations in part to speculation about alternative energy sources like ethanol, bio-diesel, bio-mass and wind as well as economic corrections due to the

national recession, food and energy markets.

Senate Enrolled Act 396, supported by the Indiana Farm Bureau, will use an ad-

justed rolling average that eliminates the highest assessed value over a six-year period. Known by economists as

the "Modified Olympic Average" technique, the model should provide farmers and local governments more stable agricultural property assessments and be more representative of true market value.





# SEN. LUKE KENLEY

SERVING SENATE DISTRICT 20 TAXPAYERS



## JOBS: LAWMAKERS FIGHT NEW SPENDING, NEW TAXES; PASS PRO-JOBS INITIATIVES TO HELP HOOSIERS

**W**ith little time and no money, lawmakers worked this short session to maintain Indiana's pro-job climate of low taxes and limited regulation.

Senators kept a close, careful eye on proposed legislation and amendments to avoid new state expenditures and government intervention that would have raised taxes and imposed red tape during already hard times for Indiana's workforce and employers.

Gov. Mitch Daniels, with the support of Senate Republicans, rightly reacted to tumbling state revenues by cutting government spending, flat-lining state payrolls and freezing all but essential hiring. To date, state bureaucracies have cut 20 percent from operating budgets. Reluctantly, higher education funding has been reduced 6 percent and public K-12 schools – nearly half of the state budget – have been asked to find 3 percent in new cost savings and efficiencies to help save classroom teachers' jobs.

Senate Enrolled Act 23, which I co-authored, delays \$400 million in new unemployment insurance premiums from going into

effect in 2010. By avoiding premium increases, lawmakers hope employers large and small will be in stronger positions to retain or add employees.

Lawmakers also passed initiatives to help Hoosiers recover from the national recession:

- **New Employer Tax Credits** will be offered to businesses relocating or incorporating in Indiana. Qualified businesses must hire 10 or more full-time employees, not including owners.

- **Small Business Tax Credits** will be expanded to make small employers with fewer than 35 workers eligible for Economic Development for a Growing Economy (EDGE) credits.

- **Small Business Ombudsman** will be an advocate for small employers with state agencies, helping navigate regulations, streamline paperwork and coordinate due dates. Also, the ombudsman will monitor outdated, ineffective and overly burdensome reporting requests and red tape.

- **H.I.R.E.** (Helping Indiana Re-start Employment) initiative will offer tax incentives to employers who hire and train unemployed and underemployed Hoosiers.



## Lawmakers Give Schools Funding Flexibility, More Local Control

**L**awmakers this session provided schools more financial flexibility and local control. We also took steps to address social promotion of students not reading at grade level.

Giving local school corporations greater ability to address funding challenges and meet the educational needs of Hoosier students are key goals of House Enrolled Act 1367.

Under this new law, schools can claim up to 5 percent of funding normally dedicated to capital projects and use it for instructional purposes. Schools agreeing to pay freezes for staff, with exceptions for built-in raises based on experience and new degrees, can use up to 10 percent.

This measure will provide access to nearly \$82 million statewide to help prevent teacher layoffs and preserve instruc-

tional programs. By allowing them to tap into these funds, HEA 1367 helps schools address budget cuts and avoid new taxes on Hoosiers.



This legislation also requires schools to develop a plan to protect instructional programs, including provisions for students who are deficient in reading. Input will be sought through public hearings.

To avoid additional costs and provide more local control, Senate Enrolled Act 309 gives schools the option to continue budgeting on a January 1 – December 31 calendar or change to the state's fiscal July 1 – June 30 calendar. Without this new flexibility, many schools would have to pay for more training and equipment during already difficult financial times.